UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CAROL M. HIGHSMITH, and
THIS IS AMERICA!, INC.,
Plaintiffs,

v.

GETTY IMAGES (US), INC., et al.,

Defendants.

CASE NO. 16-CV-5924 (JSR)

**MEMORANDUM IN SUPPORT OF DEFENDANT GETTY IMAGES (US), INC.'S MOTION TO DISMISS COUNTS I, IV, VIII, AND XI OF PLAINTIFFS' FIRST AMENDED COMPLAINT PURSUANT TO RULE 12(b)(6)**

# TABLE OF CONTENTS

INTRODUCTION ....................................................................................................1

BACKGROUND ....................................................................................................3

ARGUMENT ....................................................................................................5

I. LEGAL STANDARD ....................................................................................................5

II. COUNT I FAILS AS A MATTER OF LAW BECAUSE THE HIGHSMITH PHOTOS ARE IN THE PUBLIC DOMAIN AND CANNOT BE INFRINGED AS REQUIRED TO STATE A VIOLATION OF 17 U.S.C. § 1202. ....................................................................................................6

III. COUNT IV FAILS AS A MATTER OF LAW BECAUSE PLAINTIFFS' LANHAM ACT CLAIM IS BARRED BY THE SUPREME COURT'S DECISION IN *DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.*, 539 U.S. 23 (2003). ....................................................................................................8

A. *Dastar* Prohibits Authors of Creative Works From Using Section 43(a) of the Lanham Act to Obtain Protections Beyond Those Provided by the Copyright Act. ...........9

B. Plaintiffs' Section 43(a)(1)(A) Unfair Competition Claim Fails Under *Dastar*. ...............11

C. *Dastar* and Its Progeny Similarly Foreclose Plaintiffs' Section 43(a)(1)(B) False Advertising Claim. ....................................................................................................12

IV. PLAINTIFFS FAIL TO STATE CLAIMS UNDER NEW YORK GENERAL BUSINESS LAW SECTION 349 (COUNT VIII) AND NEW YORK COMMON LAW OF UNFAIR COMPETITION (COUNT XI). ....................................................................................................15

A. The State Law Claims are Preempted by the Federal Copyright Act. ..............................15

1. Section 301 Expressly Preempts the Unfair Competition Claim. ...............................16

2. Both State Law Claims are Preempted by the Copyright Act Because They Pose an Obstacle to Federal Policy With Respect to Public Domain Works. .............18

B. Even if Not Preempted, Both State Law Claims Fail Because They Incurably Lack Essential Elements Required Under State Law. ....................................................21

1. Plaintiffs Cannot Allege the Public Harm Required for a Claim Under N.Y. General Business Law Section 349 ....................................................................................................21

2. Plaintiffs Cannot Allege the Misappropriation of a Commercial Advantage as Required for a Common Law Unfair Competition Claim. .........................................24

CONCLUSION ....................................................................................................25

## TABLE OF AUTHORITIES

### CASES

*Agence France Presse v. Morel*, 769 F. Supp. 2d 295 (S.D.N.Y. 2011) ............8, 9, 11, 12, 13, 14

*Ahead Realty LLC v. India House, Inc.*, 938 N.Y.S.2d 17 (1st Dep't 2012) ................................24

*American Fuel Corp. v. Utah Energy Development Co.*, 122 F.3d 130 (2d Cir. 1997) ................25

*American Movie Classics Co. v. Turner Entertainment Co.*, 922 F. Supp. 926 (S.D.N.Y. 1996) ..........................................................................................................................18

*Antidote International Films, Inc. v. Bloomsbury Publishing, PLC*, 467 F. Supp. 2d 394 (S.D.N.Y. 2006) ....................................................................................9, 11, 12, 13

*AppSoft Development, Inc. v. Diers, Inc.*, No. 3:13-cv-1520-J-32JBT, 2014 WL 3893316 (M.D. Fla. Aug. 8, 2014) ........................................................................................ 6-7

*Ashcroft v. Iqbal*, 556 U.S. 662 (2009) ..........................................................................5, 20

*Baden Sports, Inc., v. Molten USA, Inc.*, 556 F.3d 1300 (Fed. Cir. 2009) ...................................12

*Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) ..................................................................5

*Board of Managers of Soho International Arts Condominium v. City of New York*, No. 01 Civ. 1226 DAB, 2003 WL 21403333 (S.D.N.Y. June 17, 2003) ..........................................16

*Carson Optical, Inc. v. Prym Consumer USA, Inc.*, No. CV 11-3677(ARL), 2013 WL 1209041 (E.D.N.Y. Mar. 25, 2013) .........................................................................20

*City of New York v. Smokes-Spirits.com, Inc.*, 541 F.3d 425 (2d Cir. 2008), *certified question answered*, 12 N.Y.3d 616 (2009), *rev'd and remanded on other grounds sub nom. Hemi Group, Inc. v. City of New York*, 559 U.S. 1 (2010) ............................................24

*Cold Spring Harbor Construction, Inc. v. Cold Spring Builders, Inc.*, 2014 NY Slip Op. 51688(U) ..................................................................................................................24

*Computer Associates International, Inc. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992).............16, 17

*Cooley v. Penguin Group (USA) Inc.*, 31 F. Supp. 3d 599 (S.D.N.Y. 2014)................................18

*Crosby v. National Foreign Trade Council*, 530 U.S. 363 (2000) ........................................15, 16

*In re Currency Conversion Fee Antitrust Litigation*, 265 F. Supp. 2d 385 (S.D.N.Y. 2003)........25

*Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).......2, 8, 9, 10, 11, 14, 21

*DeLuca v. AccessIT Group, Inc.* 695 F. Supp. 2d 54 (S.D.N.Y. 2010) ..........................................4

*DO Denim, LLC v. Fried Denim, Inc.*, 634 F. Supp. 2d 403 (S.D.N.Y. 2009)........................22, 23

*Eldred v. Ashcroft*, 537 U.S. 186 (2003)...................................................................... 19-20

*Eliya, Inc. v. Kohl's Department Stores*, No. 06 Civ 195(GEL), 2006 WL 2645196 (S.D.N.Y. Sept. 13, 2006)..........................................................................................22, 23

*Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991) ..............................7

*Gary Friedrich Enterprises, LLC v. Marvel Enterprises, Inc.*, 713 F. Supp. 2d 215 (2010)… ........................................................................................................9, 12, 18

*Geier v. American Honda Motor Co.*, 529 U.S. 861 (2000).........................................................18

*Gordon v. Nextel Communications & Mullen Advertising Inc.*, 345 F.3d 922 (6th Cir. 2003).................................................................................................................6

*Gucci American, Inc. v. Duty Free Apparel, Ltd.*, 277 F. Supp. 2d 269 (S.D.N.Y. 2003)............23

*Gurvey v. Cowen, Liebowitz & Latman, P.C.*, No. 06 Civ. 1202, 2009 WL 1117278 (S.D.N.Y. Apr. 24, 2009), *aff'd in part, vacated in part*, 462 F. App'x 26 (2d Cir. 2012) .................................................................................................................................13

*H.W. Wilson Co. v. National Library Service Co.*, 402 F. Supp. 456 (S.D.N.Y. 1975)................20

*Harris v. Mills*, 572 F.3d 66 (2d Cir. 2009)................................................................... 5-6

*Hines v. Davidowtiz,* 312 U.S. 52 (1941) ........................................................................16

*Integrative Nutrition, Inc. v. Academy of Healing Nutrition*, 476 F. Supp. 2d 291 (S.D.N.Y. 2007).......................................................................................17, 18

*Invista S.a.r.l. v. E.I. Du Pont De Nemours & Co.*, No. 08 Civ. 7270(BSJ), 2008 WL 4865208 (S.D.N.Y. Nov. 3, 2008)........................................................................13

*Jacobs v. Carnival Corp.*, No. 06-Civ-0606, 2009 WL 856637 (S.D.N.Y. Mar. 25, 2009) ...........6

*LaPine v. Seinfeld*, 92 U.S.P.Q.2d 1428, 2009 WL 2902584 (S.D.N.Y. 2009), *judgment aff'd*, 375 F. App'x. 81 (2d Cir. 2010)..................................................................13

*LBF Travel, Inc. v. Fareportal, Inc.*, No. 13 Civ. 9143, 2014 WL 5671853 (S.D.N.Y. Nov. 5, 2014)..............................................................................................23

*Leonelli v. Pennwalt Corp.*, 887 F.2d 1195 (2d Cir. 1989) ...........................................................8

*LoPresti v. Massachusetts Mutual Life Insurance Co.*, 820 N.Y.S.2d 275 (2d Dep't 2006) ........24

*Marvullo v. Gruner & Jahr*, 105 F. Supp. 2d 225 (S.D.N.Y. 2000)...............................................6

*Medical Education Development Services, Inc. v. Reed Elsevier Group, PLC*, No. 05 Civ. 8665, 2008 WL 4449412 (S.D.N.Y. Sept. 30, 2008)....................18

*Nielsen v. Aecom Technology Corp.*, 762 F.3d 214 (2d Cir. 2014)....................3

*Reed Construction Data Inc. v. McGraw-Hill Cos.*, 745 F. Supp. 2d 343 (S.D.N.Y. 2010)....................23

*Ruder & Finn Inc. v. Seabord Surety Co.*, 52 N.Y.2d 663, 422 N.E.2d 518 (1981)....................24

*Samara Brothers, Inc. v. Wal-Mart Stores, Inc.*, 165 F.3d 120 (2d Cir. 1998), *rev'd on other grounds*, 529 U.S. 205 (2000)....................18

*Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964)....................16, 19, 20

*Securitron Magnalock Corp. v. Schnabolk*, 65 F.3d 256 (2d Cir. 1995)....................22

*Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.*, No. 96 Civ. 5150, 1997 WL 137443 (S.D.N.Y. Mar. 24, 1997)....................23

*Stadt v. Fox News Network LLC*, 719 F. Supp. 2d 312 (S.D.N.Y. 2010)....................17, 18, 21

*Stern v. Sinatra*, 99 F. App'x 777 (9th Cir. 2004)....................7

*Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137 (9th Cir. 2008)....................12, 14

*Sysco Food Service of Metro New York, LLC v. Jekyll & Hyde, Inc.*, No. 08 Civ. 2958, 2009 WL 4042758 (S.D.N.Y. Nov. 17, 2009)....................25

*Thomas Publishing Co., LLC v. Technology Evaluation Centers*, No. 06 Civ. 14212(RMB), 2007 WL 2193964 (S.D.N.Y. Jan. 27, 2007)....................13, 18

*Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127 (2d Cir. 2003)....................7

*United States v. Elcom, Ltd.*, 203 F. Supp. 2d 1111 (N.D. Cal. 2002)....................14, 19

*Usov v. Lazar*, No. 13 Civ. 818, 2014 WL 4354691 (S.D.N.Y. Sept. 2, 2014)....................25

*Ward v. National Geographic Society*, 208 F. Supp. 2d 429 (S.D.N.Y. 2002)....................6

*Watterson v. Page*, 987 F.2d 1 (1st Cir. 1993)....................4

**STATUTES**

U.S. Const. art. VI, cl. 2....................15

15 U.S.C. § 1125(a)....................2

15 U.S.C. § 1125(a)(1)(A)....................5, 8, 11

15 U.S.C. § 1125(a)(1)(B) ....................................................................................................8

17 U.S.C. § 301(a) .............................................................................................................16

17 U.S.C. § 301(b) .............................................................................................................16

17 U.S.C. § 301(f)..............................................................................................................16

17 U.S.C. § 1202............................................................................................................. 1-2

17 U.S.C. § 1202(a) .........................................................................................................2, 6

17 U.S.C. § 1202(b) .........................................................................................................2, 6

17 U.S.C. § 1203(c) .............................................................................................................6

N.Y. Gen. Bus. Law § 349......................................................................3, 5, 15, 16, 19, 21

**OTHER AUTHORITIES**

Fed. R. Civ. P. 12(b)(6)...................................................................................................1, 5

1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][1][e] (2016)............18

1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][3][a] (2016)............18

4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.A.10[A][2] (2016)............7

6 William F. Patry, *Patry on Copyright* § 18:59 (2016)..........................................................18

U.S. Library of Congress, Carol M. Highsmith – Rights and Restrictions Information, https://www.loc.gov/rr/print/res/482_high.html ........................................................... 3-4, 7

Defendant Getty Images (US), Inc. ("Getty Images") submits this memorandum of law in support of its motion to dismiss all claims against it in the First Amended Complaint ("FAC") in this action, pursuant to Federal Rule of Civil Procedure 12(b)(6), for failure to state a claim upon which relief can be granted.

## **INTRODUCTION**

Plaintiff Carol M. Highsmith ("Highsmith"), a photographer, and Plaintiff This Is America!, Inc. ("TIA"), a non-profit founded by Highsmith (together "Plaintiffs"), allege that Getty Images and co-defendants License Compliance Services, Inc. ("LCS"), Alamy, Inc., and Alamy, Ltd. (the latter two together, "Alamy") improperly used Highsmith's photographs (the "Highsmith Photos") in the course of their respective businesses. Significantly, Plaintiffs do *not* claim that Defendants infringed the copyrights in the Highsmith Photos, and that is for good reason: Highsmith owns no such copyrights, having long ago dedicated the Highsmith Photos to the public domain. Instead, and notwithstanding the fact that public domain works are routinely commercialized – *e.g.*, publishers charge money for their copies of Dickens novels and Shakespeare plays, etc. – Plaintiffs contend that Defendants improperly charged money for access to and use of copies of these public domain Photos. Having done so, Plaintiffs argue, Defendants have somehow sullied Highsmith's name and reputation.

Although the narrative of Plaintiffs' FAC is long and wide-ranging, Plaintiffs' four claims against Getty Images – two federal law claims and two state law claims – are all an attempt to regain some measure of legal protection for the Highsmith Photos that Plaintiff Highsmith relinquished years ago. All four claims fail as a matter of law.

The first federal law claim against Getty Images, brought by Plaintiff Highsmith only, alleges a violation of Section 1202 of the Digital Millennium Copyright Act ("DMCA"), 17

U.S.C. § 1202, which prohibits the falsification or alteration of copyright management information that is conveyed in connection with a copyrighted work. But even if Plaintiff's factual allegations were true (they are not), liability can attach under Section 1202 only where the defendant acted with "the intent to induce, enable, facilitate or conceal *infringement*" or with knowledge that infringement would result. § 1202(a)-(b) (emphasis added). Because the public domain works at issue here are no longer subject to copyright and thus, by definition, cannot be infringed, Getty Images could not have acted with the requisite intent or knowledge of infringement. The Section 1202 claim therefore should be dismissed with prejudice.

The second federal law claim against Getty Images, brought by both Plaintiffs, alleges that Getty Images engaged in unfair competition and false advertising in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). This claim is barred by the Supreme Court's decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003). In *Dastar*, which also involved works in the public domain, the Supreme Court held that Section 43(a)(1)(A) of the Lanham Act protects only "the producer of the tangible goods that are offered for sale, and not . . . the author of any idea, concept, or communication embodied in those goods." *Dastar*, 539 U.S. at 37; *see id.* at 34 ("[W]e have been careful to caution against misuse or over-extension of trademark and related protections into areas traditionally occupied by patent or copyright." (internal quotation marks omitted)). Here, Plaintiffs impermissibly seek to protect not the producer of the copies of the Photos at issue – under *Dastar*, Getty Images is the producer of those copies – but rather the author of the Photos, Plaintiff Highsmith. *Dastar* and its progeny plainly foreclose Plaintiffs' attempt to use the Lanham Act in this manner.

Unable to state a federal claim for relief, Plaintiffs turn to New York's statutory and common law causes of action for unfair competition, both of which also fail as a matter of law in at least two ways. First, they are preempted by federal law. The common law unfair competition claim for "reverse passing off" is expressly preempted by Section 301 of the Copyright Act, and both state law claims are preempted because they conflict with federal copyright policy regarding works in the public domain. Second, both claims fail under state law because Plaintiffs do not – and cannot – allege essential elements of either claim: they do not allege a specific and substantial injury to the public interest, as New York General Law Section 349 requires, nor do they allege that Getty Images misappropriated a commercial advantage belonging exclusively to Plaintiffs, as the common law of unfair competition requires.

Accordingly, all four claims against Getty Images should be dismissed with prejudice. [1]

## **BACKGROUND**

Plaintiff Highsmith is a well-known photographer. FAC ¶ 1.[2] In 1988, she dedicated the Highsmith Photos to the public domain in connection with a gift of that collection to the United States Library of Congress. *Id.* ¶¶ 51, 61. The terms of Plaintiff's gift were broad and unconditional, providing that "I hereby dedicate to the public *all rights, including copyrights throughout the world*, that I possess in this collection." *Id.*, Ex. I ("Instrument of Gift") (emphasis added).[3] The Library of Congress thus makes the Highsmith Photos available to the world with "[n]o known restrictions on publication," *id.*, Ex. J, and states unambiguously that "Carol M. Highsmith's photographs are in the public domain," U.S. Library of Congress, Carol

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[1] Getty Images also incorporates the arguments made by LCS and Alamy in their respective Motions to Dismiss to the extent applicable to Plaintiffs' claims against Getty Images.

[2] For purposes of this motion only, the allegations in the FAC are accepted as true. *See, e.g.*, *Nielsen v. Aecom Tech. Corp.*, 762 F.3d 214, 218 (2d Cir. 2014).

[3] Highsmith now asserts that she did not "intend to abandon her rights in her photographs," FAC ¶ 52, but the Instrument of Gift by which she in fact did so speaks for itself. *Id.*, Ex. I.

M. Highsmith – Rights and Restrictions Information, https://www.loc.gov/rr/print/res/482_high.html.[4]

Plaintiff TIA is a tax-exempt 501(c)(3) corporation that Highsmith founded in 2011 "with a mission of producing a nationwide visual study of the United States of American in the 21st century." FAC ¶¶ 35, 69, 71. TIA seeks donations to further Highsmith's work. *Id.* ¶ 70.

Getty Images is a leading creator and distributor of digital imagery. *Id.* ¶ 74. Among other things, Getty Images uses advanced search technology to provide an easily searchable, user-friendly online catalog of millions of digital images for its customers to discover and license for particular uses. *Id.* For some period of time, Getty Images' catalog included copies of many of the Highsmith Photos, which Getty Images made available commercially for license by its customers. *Id.* ¶ 77.

At least some (if not all) of these copies of the Highsmith Photos were contributed to Getty Images' catalog by an entity called "Buyenlarge," which Getty Images credited as a "Contributor" on its website. *Id.* ¶ 80. The pages of Getty Images' website on which the copies of the Highsmith Photos appeared displayed a variety of additional information, including, in some instances, a notation stating "Photo by Carol M. Highsmith/Buyenlarge/Getty Images," *id.*, and, in other instances, a watermark with Getty Images' logo superimposed on the digital image.

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[4] Because Exhibit J to the FAC includes a link to this page on the Library of Congress' website, the Court may properly consider the webpage without converting this motion into one for summary judgment. *E.g.*, *DeLuca v. AccessIT Grp., Inc.*, 695 F. Supp. 2d 54, 59 (S.D.N.Y. 2010) ("Pleadings include not just the four corners of the complaint, but also 'any written instrument attached to it as an exhibit or any statements or documents incorporated in it by reference.'" (quoting *Chambers v. Time Warner, Inc.*, 282 F.3d 147, 152 (2d Cir. 2002)).) Moreover, the court may also properly consider this webpage because it is an official public record, the authenticity of which cannot reasonably be questioned. *E.g.*, *Watterson v. Page*, 987 F.2d 1, 3-4 (1st Cir. 1993).

*Id.* ¶ 175 & Fig. 4. Highsmith contends that such notations and watermarks constitute false copyright management information, in violation of 17 U.S.C. § 1202. *Id.* ¶¶ 163-181.

Getty Images also sells licenses to its customers for the use of Getty Images' copies of particular images. For a period of time, Getty Images sold licenses to its copies of the Highsmith Photos, with different prices for different sizes and types of uses. *Id.* ¶ 85. While these licenses included "restrictions on usage" of Getty Images' copies, *id.* ¶ 86, the exhibits to the FAC make clear that these licenses did not purport to be "copyright licenses" as Plaintiffs allege. *Compare* FAC ¶ 85 (claiming that "Getty offers for sale on its website copyright licenses for using Highsmith Photos"), *with* FAC, Ex. K (image of Highsmith Photo previously on Getty Images' website with license listing but no mention of "copyright"). Plaintiff Highsmith nonetheless contends that the sale of these licenses, as well as the use of Highsmith's name in connection with them, violates Section 1202's prohibition on false or altered copyright management information. In addition, both Plaintiffs allege that Getty Images' licensing activities and use of Highsmith's name constitute false advertising and unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A), FAC ¶¶ 220, 223-224 (Count IV), Section 349 of the New York General Business Laws, FAC ¶¶ 256-258 (Count VIII), and the common law of New York, FAC ¶¶ 276-277 (Count XI).

## ARGUMENT

### I. LEGAL STANDARD

Federal Rule of Civil Procedure 12(b)(6) requires dismissal of a cause of action if it does not contain sufficient facts "to state a claim to relief that is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Mere conclusory averments do not meet this pleading threshold; rather, a complaint must be buttressed by specific factual allegations. *Iqbal*, 556 U.S. at 677-78; *Harris v. Mills*, 572 F.3d 66, 72 (2d

Cir. 2009). Allegations that, "absent any factual support, merely state[] a legal conclusion" are "insufficient to withstand a motion to dismiss." *Marvullo v. Gruner & Jahr*, 105 F. Supp. 2d 225, 228-29 (S.D.N.Y. 2000); *see also, e.g., Jacobs v. Carnival Corp.*, No. 06-Civ-0606, 2009 WL 856637, at *3 (S.D.N.Y. Mar. 25, 2009) (citing *Smith v. Local 819 L.B.T. Pension Plan*, 291 F.3d 236, 240 (2d Cir. 2002)).

## II. COUNT I FAILS AS A MATTER OF LAW BECAUSE THE HIGHSMITH PHOTOS ARE IN THE PUBLIC DOMAIN AND CANNOT BE INFRINGED AS REQUIRED TO STATE A VIOLATION OF 17 U.S.C. § 1202.

In Count I, Highsmith alleges that Getty Images has violated Section 1202 of the DMCA, 17 U.S.C. § 1202(a)-(b), and thus is liable for damages under Section 1203. 17 U.S.C. § 1203(c). Section 1202(a) provides that "[n]o person shall knowingly and *with the intent to induce, enable, facilitate, or conceal infringement*" provide, distribute or import for distribution "copyright management information that is false." 17 U.S.C. § 1202(a) (emphasis added). Similarly, Section 1202(b) prohibits (in the absence of "the authority of the copyright owner or the law") the intentional removal or alteration of copyright management information, or the distribution of such removed or altered information, while "knowing, or, … having reasonable grounds to know" that such conduct "*will induce, enable, facilitate or conceal an infringement of any right under this title.*" *Id.* § 1202(b) (emphasis added). Under either subsection of Section 1202, therefore, infringement of copyright – or at least the known or intended possibility thereof – is an express prerequisite to liability. *See, e.g., Ward v. Nat'l Geographic Soc.*, 208 F. Supp. 2d 429, 449-50 (S.D.N.Y. 2002) (noting that an intent to induce, enable, facilitate or conceal an infringement is a prerequisite for liability under Section 1202(a) (quoting S. Rep. No. 105-190, at 34 (1998))); *see also, e.g., Gordon v. Nextel Commc'ns & Mullen Advert. Inc.*, 345 F.3d 922, 927 (6th Cir. 2003) (affirming rejection of 1202(b) claim where defendant's belief that the work had been cleared for use negated intent element of claim); *AppSoft Dev., Inc. v. Diers, Inc.*, No. 3:13-

cv-1520-J-32JBT, 2014 WL 3893316, at *4 (M.D. Fla. Aug. 8, 2014) (dismissing 1202(b) claim where "the complaints fail to allege how Defendants … knew that any removal, alteration, or distribution would facilitate or conceal a copyright infringement.").

As noted above, the Highsmith Photos are unquestionably in the public domain, as Highsmith "dedicate[d] to the public *all rights, including copyrights throughout the world*, that [she] possesse[d] in" the Highsmith Photos. FAC, Ex. I (emphasis added); *see also* U.S. Library of Congress, Carol M. Highsmith – Rights and Restrictions Information, *supra* at 3-4 ("Carol M. Highsmith's photographs are in the public domain."). It is thus impossible to infringe a copyright in those works, as no copyright exists. *See, e.g.*, *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 364 (1991) (use of material not subject to copyright "cannot constitute infringement"); *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 135 (2d Cir. 2003) ("[C]opying is not unlawful if what was copied … had itself been taken from the public domain."); *see also* 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.A.10[A][2] at 12A-130 (2016) (noting that a construction of Section 1202 that permits liability where infringement is not objectively possible would be "bizarre and pointless."). Without even the possibility of an infringement, Getty Images could not have possessed the requisite knowledge of or intent to "induce, enable, facilitate or conceal" infringement for purposes of Section 1202. As a matter of law, therefore, Plaintiff Highsmith has failed to state a claim on which relief can be granted and, accordingly, Count I should be dismissed. *See, e.g.*, *Stern v. Sinatra*, 99 F. App'x 777, 778 (9th Cir. 2004) (where photograph fell into public domain and, therefore, plaintiff had no valid copyright in it, claims for damages under Section 1203 were properly dismissed as a matter of law). Moreover, such dismissal should be with prejudice, as the defect in Count I cannot be cured by amendment. *See, e.g.*, *Leonelli v. Pennwalt Corp.*, 887 F.2d 1195, 1198-99 (2d Cir. 1989).

## III. COUNT IV FAILS AS A MATTER OF LAW BECAUSE PLAINTIFFS' LANHAM ACT CLAIM IS BARRED BY THE SUPREME COURT'S DECISION IN *DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.*, 539 U.S. 23 (2003).

In Count IV, Plaintiffs assert a claim against Getty Images under Section 43(a) of the Lanham Act. Section 43(a) proscribes "any false designation of origin, false or misleading description of fact, or false or misleading representation of fact" that:

> (A) is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services or commercial activities.

15 U.S.C. § 1125(a)(1)(A)-(B). Plaintiffs' Section 43(a) claim asserts unfair competition in violation of subsection (A) and false advertising in violation of subsection (B). FAC ¶¶ 219-225; *see also Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 307 (S.D.N.Y. 2011) ("*Morel*") ("Claims under section 43(a) are styled as either false representation under subsection (A) or false advertising under subsection (B)").

With respect to subsection A, Plaintiffs claim that "Getty has used 'false statement(s) of fact' and/or 'misleading statement(s) of fact' that are likely to cause confusion, mistake, or deception as to the affiliation or connection of Getty with Ms. Highsmith and the Foundation, and as to the sponsorship, association, or approval of Getty's services with Ms. Highsmith," by "making unauthorized use of [Ms. Highsmith's] name in connection with charging money for purported licenses to her photos," and "by holding itself out falsely as the agent of Ms. Highsmith and the Foundation." FAC ¶ 220. As an example of such false or misleading statements of fact, Plaintiffs allege that, "in some places on its website, Getty describes Highsmith Photos as 'Photo by Carol M. Highsmith/Buyenlarge/Getty Images.'" *Id.* ¶ 221.

As to subsection B, Plaintiffs claim that Getty Images is "misrepresenting the nature, characteristics, or qualities of the Highsmith Photos" by "advertising and promoting a 'rights managed' license fee," given that "Getty has no exclusive rights" to the photos and, "therefore, has nothing to 'license.'" *Id.* ¶ 223. Plaintiffs assert that "Getty's users will be under the mistaken belief that they need a license from Getty" to copy and distribute the photos. *Id.* ¶ 225.

Under *Dastar* and its progeny, Plaintiffs' Lanham Act claim fails under both subsections because it is premised on Getty Image's alleged misrepresentation of authorship. *Dastar*, 539 U.S. at 34-37; *Morel*, 769 F. Supp. 2d at 307-08; *Gary Friedrich Enters., LLC v. Marvel Enters., Inc.*, 713 F. Supp. 2d 215, 234 (2010); *Antidote Int'l Films, Inc. v. Bloomsbury Publ'g, PLC*, 467 F. Supp. 2d 394, 398 (S.D.N.Y. 2006) (Rakoff, J.). In essence, Plaintiffs claim that Getty Images violated the Lanham Act by falsely holding itself out as an author of the Highsmith Photos or as the author's agent with exclusive rights to license the photos. That type of Lanham Act claim, whether styled as unfair competition under 43(a)(1)(A) or false advertising under 43(a)(1)(B), is clearly foreclosed by *Dastar* and its progeny.

### A. *Dastar* Prohibits Authors of Creative Works From Using Section 43(a) of the Lanham Act to Obtain Protections Beyond Those Provided by the Copyright Act.

*Dastar*, like this case, involved works in the public domain. In *Dastar*, the owners of a television series about World War II had allowed its copyright to expire, thus placing the series in the public domain. 539 U.S. at 26. The defendant copied and edited the series and began selling video sets of the series as its own product, without any attribution to the original television series. *Id.* at 26-27. A number of media companies brought a section 43(a) Lanham Act claim asserting that the defendant's sale of the video sets "without proper credit" to the original television series constituted "reverse passing off," which occurs when "[t]he producer misrepresents someone else's goods or services as his own." *Id.* at 27 & n.1.

In rejecting the plaintiffs' Lanham Act claim, the Supreme Court addressed whether the word "origin" in section 43(a) could be read to refer to the author of a work, such as a novel, rather than to the producer of the physical book. 539 U.S. at 31-32. The Court recognized that "[t]he purchaser of a novel is interested not merely, if at all, in the identity of the producer of the physical tome (the publisher), but also, and indeed primarily, in the identity of the creator of the story it conveys (the author)." *Id.* at 33. The Court refused, however, to accord "special treatment" to "communicative products" – that is, to read the word "origin" in the Lanham Act to cover the authors of such products – on the ground that such treatment would "cause[] the Lanham Act to conflict with the law of copyright, which addresses that subject specifically." *Id.*

The Court made clear that, as a matter of copyright law, "[t]he right to copy, and to copy without attribution, once a copyright has expired . . . passes to the public." 539 U.S. at 33 (quotation marks omitted). Thus, "[a]ssuming for the sake of argument that [the defendant's] representation of itself as the 'Producer' of its videos amounted to a representation that it originated the creative work conveyed by the videos, allowing a cause of action under Section 43(a) for that representation would create a species of mutant copyright law that limits the public's 'federal right to copy and to use' expired copyrights." *Id.* at 34. The Court noted that "[w]hen Congress has wished to create such an addition to the law of copyright, it has done so with much more specificity than the Lanham's Act's ambiguous use of 'origin.'" *Id.* (noting that 17 U.S.C. § 106A provides an "express right of attribution" that is "carefully limited and focused."). "Recognizing in § 43(a) a cause of action for misrepresentation of authorship of noncopyrighted works (visual or otherwise) would render these limitations superfluous." *Id.* at

35. Thus, the Court held that the phrase "origin" of "goods" in the Lanham Act "refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods." *Id.* at 37.

**B. Plaintiffs' Section 43(a)(1)(A) Unfair Competition Claim Fails Under *Dastar*.**

Under *Dastar*, Plaintiff's unfair competition claim under section 43(a)(1)(A) clearly fails. Plaintiffs allege that, by describing the Highsmith Photos as "Photo by Carol M. Highsmith/Buyenlarge/Getty Images," Getty Images made false representations as to the "origin, sponsorship, or approval" of the photos. FAC ¶¶ 219-221; 15 U.S.C. § 1125(a)(1)(A). However, "[b]ecause photographs are 'communicative products' protected by copyright, false designation of their authorship is not cognizable under [S]ection 43(a)(1)(A) after *Dastar*." *Morel*, 769 F. Supp. 2d at 307. Plaintiffs cannot, after *Dastar*, invoke the Lanham Act "as an end run around the copyright laws or to add another layer of protection to copyright holders," or to those whose copyrights have entered the public domain. *Id.*

The result is the same as to alleged misrepresentations regarding Getty Images' "affiliation, connection, or association" with Plaintiffs. 15 U.S.C. § 1125(a)(1)(A); FAC ¶¶ 219-221. Although *Dastar* concerned a misrepresentation of origin claim, this Court has held that *Dastar*'s reasoning applies with equal force to bar claims for false representation of "affiliation" between the author and a distributor of the communicative product. *Antidote*, 467 F. Supp. 2d at 399 (holding that *Dastar* applies to "affiliation" claims "where, as here, one person is the publisher of a novel and the other is the author of the novel, because the holding of *Dastar* would be meaningless if a false authorship claim could be recast in this manner."); *Morel*, 769 F. Supp. 2d at 307. Accordingly, it does not matter whether Plaintiffs style their Section 43(a)(1)(A) claim as a false assertion of authorship or a false assertion of affiliation. Either way, *Dastar* forecloses the claim.

### C. *Dastar* and Its Progeny Similarly Foreclose Plaintiffs' Section 43(a)(1)(B) False Advertising Claim.

In an apparent attempt to circumvent *Dastar*, Plaintiffs also assert a false advertising claim under section 43(a)(1)(B). FAC ¶¶ 223-225. Plaintiffs rely on language in *Dastar* in which the Supreme Court presented a hypothetical and stated it "might" give rise to "a cause of action . . . for misrepresentation under the 'misrepresents the nature, characteristics [or] qualities' provision of § 43(a)(1)(B)." 539 U.S. at 38; *see* FAC ¶ 222. However, this Court has already considered this precise passage from *Dastar* and rejected any attempt to use it as an end run around *Dastar*'s bar on misrepresentation of authorship claims:

> [W]hile this language might be read to suggest that the Supreme Court was leaving open the possibility of a claim arising from a misrepresentation going to the substance of a work, rather than the work's authorship, in the instant case, with respect to claims that sound in false authorship, the holding in *Dastar* that the word "origin" in § 43(a)(1)(A) refers to producers, rather than authors, necessarily implies that the words "nature, characteristics, [and] qualities" in § 43(a)(1)(B) cannot be read to refer to authorship. If authorship were a "characteristic[ ]" or "qualit[y]" of a work, then the very claim *Dastar* rejected under § 43(a)(1)(A) would have been available under § 43(a)(1)(B).

*Antidote*, 467 F. Supp. 2d at 399-400; *see also Gary Friedrich Enters.*, 713 F. Supp. 2d at 234 (relying on *Antidote* in rejecting a Section 43(a)(1)(B) false advertising claim because "misrepresentation of authorship lies at the heart of this action"). Interpreting the same "dicta" from *Dastar*, other courts have similarly rejected false advertising claims under section 43(a)(1)(B). *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137, 1144 (9th Cir. 2008); *Baden Sports, Inc., v. Molten USA, Inc.*, 556 F.3d 1300, 1307 (Fed. Cir. 2009). In short, Plaintiffs cannot avoid the holding of *Dastar* by styling their unfair competition claim under section 43(a)(1)(A) as a false advertising claim under section 43(a)(1)(B). *E.g., Morel*, 769 F. Supp. 2d at 308 ("The import of *Dastar* that an author's recourse for unauthorized use is in copyright cannot be avoided by shoe-horning a claim into section 43(a)(1)(B) rather than

43(a)(1)(A)."); *LaPine v. Seinfeld*, 92 U.S.P.Q.2d 1428, 2009 WL 2902584, at *14-15 (S.D.N.Y. 2009) (Section 43(a)(1)(B) cannot be used to assert a claim that defendant took plaintiff's ideas in a cook book without attributing plaintiff), *judgment aff'd*, 375 F. App'x. 81 (2d Cir. 2010); *Gurvey v. Cowen, Liebowitz & Latman, P.C.*, No. 06 Civ. 1202, 2009 WL 1117278, at *4-5 (S.D.N.Y. Apr. 24, 2009) (dismissing false advertising claim premised on "[a] failure to attribute the authorship of an idea"), *aff'd in part, vacated in part*, 462 F. App'x 26 (2d Cir. 2012); *Thomas Publ'g Co., LLC v. Tech. Evaluation Ctrs.*, No. 06 Civ. 14212(RMB), 2007 WL 2193964, at *3 (S.D.N.Y. Jan. 27, 2007) (dismissing false advertising claim "premised upon the assertion that Defendant passed off Plaintiffs' work as its own"); *Invista S.a.r.l. v. E.I. Du Pont De Nemours & Co.*, No. 08 Civ. 7270(BSJ), 2008 WL 4865208, at *3-4 (S.D.N.Y. Nov. 3, 2008) (rejecting false advertising claim as a "repackaged false designation of origin claim").

Yet that is precisely what Plaintiffs seek to do here. Their allegations of false advertising are in essence the same as their allegations of unfair competition. Plaintiffs assert that Getty Images is falsely holding itself out as an author of or exclusive rights holder in the Highsmith Photos, with the corresponding right to license them. Plaintiffs' allegations all reduce to Getty Images' alleged reverse passing off of the Highsmith's Photos as Getty Images'. "*Dastar* bars such a claim, however it is framed." *Invista*, 2008 WL 4865208, at *4; *Morel*, 769 F. Supp. 2d at 308; *Antidote*, 467 F. Supp. 2d at 400.

Plaintiffs' allegations concerning Getty Images' requirement of a license for use of its copies of the Highsmith Photos do nothing to change this result. According to Plaintiffs, Getty Images is "advertising and promoting a 'rights managed' license fee" for the photos, even though "Getty has no exclusive rights" to the photos and "therefore, has nothing to 'license.'" FAC ¶ 223. But even if true, the "license status" of creative works such as these does not concern "the nature, characteristics, qualities, or geographic origin" of the works, and thus is not cognizable under Section 43(A)(1)(B). *E.g., Sybersound Records*, 517 F.3d at 1144 (rejecting the argument that the licensing status of a musical recording work is part of the nature, characteristics, or qualities of the work because "nature, characteristics, or qualities" are "more properly construed to mean characteristics of the good itself, such as … the quality of its audio and visual effects."); *see also Morel*, 769 F. Supp. 2d at 308 (defendants' false statement that they were authorized to distribute the photographs did not concern the photographs' "nature, characteristics, qualities, or geographic origin" (quotation marks omitted)). Here, again, Plaintiffs have impermissibly conflated the particular copies of the Highsmith Photos in Getty Images' collection with the underlying expression embodied in those copies, to which the Lanham Act does not speak. *See Dastar*, 539 U.S. at 37 (the phrase "origin" of "goods" in the Lanham Act "refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.").[5]

For all of these reasons, Plaintiffs' Count IV should be dismissed with prejudice.

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[5] In any event, this premise of Plaintiffs' case – *i.e.*, that there is something improper about the imposition of license conditions on the use of copies of public domain works – is fundamentally flawed. As courts have long recognized, any member of the public (including businesses) may use public domain works "at will and without attribution," *Dastar*, 539 U.S. at 33-34, and is free to impose conditions on the use of particular copies of the works. *See, e.g., United States v. Elcom, Ltd.*, 203 F. Supp. 2d 1111, 1131 (N.D. Cal. 2002) (noting that, when a publisher "take[s] a public domain work and ma[k]es it available in electronic form, and in the course of doing so has also imposed use restrictions on the electronic version," the publisher does not thereby gain an intellectual property interest in the work but has gained "protection against copying *that particular electronic version* of the work." (emphasis added)).

## IV. PLAINTIFFS FAIL TO STATE CLAIMS UNDER NEW YORK GENERAL BUSINESS LAW SECTION 349 (COUNT VIII) AND NEW YORK COMMON LAW OF UNFAIR COMPETITION (COUNT XI).

Unable to state a federal claim for relief, Plaintiffs in Counts VIII and XI attempt to rely on New York's statutory and common law causes of action for unfair competition. Count VIII alleges that Getty Images' actions with respect to the Highsmith Photos violate N.Y. General Business Law Section 349(a), which provides that "[d]eceptive acts or practices in the conduct of any business, trade or commerce or in furnishing any service in this state are hereby declared unlawful." FAC ¶ 256. Count XI alleges that these same activities violate New York's common-law ban on unfair competition because Getty Images has allegedly "misappropriated Ms. Highsmith's labor, skill and expenditures in bad faith" in a manner that has "caused confusion as to the association or relationship between Getty, on the one hand, and [Plaintiffs], on the other hand." *Id.* ¶ 277.

Each of these claims fails. *First*, the common law unfair competition claim for "reverse passing off" is expressly preempted by Section 301 of the Copyright Act, and both state law claims are preempted because permitting state law liability for Getty Images' conduct with respect to the Highsmith Photos, which are in the public domain, would conflict with federal copyright policy. *Second*, even if the state law claims were not preempted, Plaintiffs do not and cannot allege the required elements of either claim.

### A. The State Law Claims are Preempted by the Federal Copyright Act.

"A fundamental principle of the Constitution is that Congress has the power to preempt state law" under the Supremacy Clause, art. VI, cl. 2. *Crosby v. Nat'l Foreign Trade Council*, 530 U.S. 363, 372 (2000). State law is preempted when a federal statute says so expressly, when "Congress intends federal law to occupy the field," or when state law "conflict[s] with a federal statute," either because "it is impossible for a private party to comply with both state and federal law," or because application of the state law would "stand[] as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." *Id.* at 372-73 (internal quotation marks omitted); *see also, e.g.*, *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 228-29 (1964) (stating that federal copyright and patent laws, "like other laws of the United States enacted pursuant to constitutional authority, are the supreme law of the land"); *Hines v. Davidowtiz*, 312 U.S. 52, 66-67 (1941) (discussing obstacle preemption). In this case, Section 301 of the Copyright Act expressly preempts Plaintiffs' claim for unfair competition under the common law of New York (Count XI). In addition, both that claim and Plaintiffs' claim for violation of N.Y. General Business Law Section 349 (Count VIII) are preempted because they create an obstacle to the accomplishment of federal copyright objectives.

**1. Section 301 Expressly Preempts the Unfair Competition Claim.**

Section 301 expressly preempts a state law claim where (1) the particular work to which the state law claim applies falls within the scope of works protected by the Copyright Act or the Visual Artists Rights Act ("VARA"), and (2) the state law right "may be abridged by an act which, in and of itself, would infringe one of the exclusive rights provided by federal copyright law" or VARA. *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir. 1992) (internal quotation marks omitted); *Bd. of Managers of Soho Int'l Arts Condo. v. City of N.Y.*, No. 01 Civ. 1226 DAB, 2003 WL 21403333, at *12 (S.D.N.Y. June 17, 2003) ("Congress clearly intended pre-emption analysis under VARA to track that of copyright in general"); *see* 17 U.S.C. § 301(a)-(b), (f). In determining whether a cause of action under state law is preempted by Section 301, courts in this Circuit ask whether the state law claim requires an "extra element" instead of or in addition to the acts required for a copyright violation; if not, then the state claim is preempted. *Computer Assocs.*, 982 F.2d at 716. The "extra element" must change the "'nature of the action so that it is *qualitatively* different from a copyright infringement claim.'"

*Id.* (quoting *Mayer v. Josiah Wedgewood & Sons, Ltd.*, 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985)). The Second Circuit "takes a 'restrictive view' of what qualifies as an extra element sufficient to shield the claim from copyright preemption." *Stadt v. Fox News Network LLC*, 719 F. Supp. 2d 312, 318 (S.D.N.Y. 2010) (quoting *Briarpatch Ltd. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 306 (2d Cir. 2004)).

Plaintiffs' claim for unfair competition under New York common law fails the "extra element" test. "The essence of unfair competition under New York common law is the bad faith misappropriation of the labors and expenditures of another, likely to cause confusion or to deceive purchasers as to the origin of goods." *Stadt*, 719 F. Supp. 2d. at 319-20 (quotation marks omitted); *see id.* (noting that where the plaintiff seeks damages, *actual* rather than *likely* confusion must be demonstrated). Two types of unfair competition claims are relevant here: those for "passing off" and those for "reverse passing off." *See generally Integrative Nutrition, Inc. v. Academy of Healing Nutrition*, 476 F. Supp. 2d 291, 297 (S.D.N.Y. 2007). As the court explained in *Integrative Nutrition*, "[i]n a reverse passing off case, the alleged infringer sells the plaintiff's products as its own." *Id.* By contrast, "[i]n a passing off case, the alleged infringer sells its products as the plaintiff's." *Id.* (citations omitted).

Plaintiffs' claim here is one for "reverse passing off": Plaintiffs allege that Getty Images falsely presented Highsmith's work as its own by, for example, including "Getty Images" in the "credits" and selling licenses to the Highsmith Photos. *See, e.g.*, FAC ¶¶ 78, 80, 84-86; *see supra* at 8-10. But as numerous courts within this district have held – and as the leading copyright treatise agrees – a "reverse passing off" claim is preempted by Section 301 because there is no "extra element": the claim "is essentially [one] for unauthorized use of copyrightable material." *Stadt*, 719 F. Supp. 2d at 322. Thus, courts regularly dismiss unfair competition claims based on reverse passing off as preempted by Section 301. *Id.*; *see also, e.g.*, *Gary Friedrich Enters.*, 713 F. Supp. 2d at 232; *Am. Movie Classics Co. v. Turner Entm't Co.*, 922 F. Supp. 926, 933-34 (S.D.N.Y. 1996); *Cooley v. Penguin Grp. (USA) Inc.*, 31 F. Supp. 3d 599, 613–14 (S.D.N.Y. 2014); *Med. Educ. Dev. Servs., Inc. v. Reed Elsevier Grp., PLC*, No. 05 Civ. 8665, 2008 WL 4449412, at *13 (S.D.N.Y. Sept. 30, 2008); *Integrative Nutrition*, 476 F. Supp. 2d at 297; *Thomas Publ'g Co.*, 2007 WL 2193964, at *4; 1 Nimmer § 1.01[B][1][e] at 1-33-1-34.[6] The same result is warranted here, and Count XI should be dismissed with prejudice.

**2. Both State Law Claims are Preempted by the Copyright Act Because They Pose an Obstacle to Federal Policy With Respect to Public Domain Works.**

"[E]ven apart from Section 301, the general proposition pertains in copyright law, as elsewhere, that a state law is invalid that stands as an obstacle to the accomplishment of the full purposes and objectives of Congress." 1 Nimmer § 1.01[B][3][a] at 1-77 (quotation marks omitted); *see* 6 William F. Patry, *Patry on Copyright* § 18:59 (2016) (noting that obstacle preemption principles "still ha[ve] an important role to play even with Section 301 in place"); *Geier v. Am. Honda Motor Co.*, 529 U.S. 861, 869 (2000) (existence of an express preemption provision in a federal statute does not bar application of conflict preemption principles). "When state law touches upon the area of" federal copyright or patent law, "it is 'familiar doctrine' that the federal policy 'may not be set at naught, or its benefits denied' by the state law." *Sears*, 376 U.S. at 229 (quoting *Sola Elec. Co. v. Jefferson Elec. Co.*, 317 U.S. 172, 173, 176 (1942)).

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[6] Although *Samara Bros., Inc. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 131-32 (2d Cir. 1998), *rev'd on other grounds*, 529 U.S. 205 (2000), may have suggested that a reverse passing off claim also contains an extra element of confusion as to source, that decision is no longer good law in light of *Dastar*, which "held that reverse passing off claims were the proper domain of copyright law." *Stadt*, 719 F. Supp. 2d at 322 n.68 (dismissing plaintiff's reliance on *Samara Bros.* because it was "decided prior to the Supreme Court's decision in *Dastar*" and noting that "subsequent Southern District unfair competition decisions have held that reverse passing off claims are preempted.").

Here, permitting Plaintiffs to recover under N.Y. General Business Law Section 349 or New York's common law of unfair competition would create an obstacle to the accomplishment of the Copyright Act's objective that a work in the public domain – whether because the work is not copyrightable, because copyright protection has expired, or because, as here, the copyright holder has voluntarily ceded that protection – "may be made *and sold* by whoever chooses to do so." *Sears*, 376 U.S. at 231 (emphasis added); *see also, e.g, United States v. Elcom, Ltd.*, 203 F. Supp. 2d 1111, 1134 (N.D. Cal. 2002) ("Any person may use the public domain work for any purpose – quoting, republishing, critiquing, comparing, *or even making and selling copies*" (emphasis added)). Indeed, this is precisely the teaching of the Supreme Court's decision in *Sears*. There, a lamp manufacturer sued Sears for unfair competition in violation of state law for selling a lamp substantially identical to the one the manufacturer had created, but which was not subject to a patent. The Supreme Court held that state law liability was preempted: "Just as a State cannot encroach upon federal patent laws directly" by extending the life of a patent, "it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws." 376 U.S. at 231. Because the lamp was "in the public domain," Sears had "every right . . . under the federal patent laws" to copy its design for profit; "[t]o allow [the] State by use of its law of unfair competition to prevent [such] copying . . . would be to permit the State to block off from the public something which federal law has said belongs to the public." *Id.* at 231-32. The Court thus concluded that "a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying." *Id.* at 232-33; *see also Eldred v. Ashcroft*, 537

U.S. 186, 202 n.8 (2003) (describing *Sears* as holding that "States may not enact measures inconsistent with the federal patent laws").

The same is true here. Highsmith voluntarily ceded to "the public *all* [of her] rights, *including copyrights throughout the world*," in the Highsmith Photos. FAC, Ex. I, at 1 (emphasis added). Those Photos therefore are "in the public domain" and may be used – including for profit – "by whoever chooses to do so." *Sears*, 376 U.S. at 231. Imposing liability under state law for copying and selling the Highsmith Photos would impermissibly "permit the State to block off from the public something which federal law has said belongs to [it]," namely, the right to use works in the public domain. *Id.* at 232. For this reason, courts since *Sears* have held that state law liability relating to the copying and sale of unpatented or uncopyrighted goods or works is preempted. *See, e.g.*, *Carson Optical, Inc. v. Prym Consumer USA, Inc.*, No. CV 11-3677(ARL), 2013 WL 1209041, at *7 (E.D.N.Y. Mar. 25, 2013) (finding unfair competition claim preempted where product was in the public domain); *H.W. Wilson Co. v. Nat'l Library Serv. Co.*, 402 F. Supp. 456, 457-59 (S.D.N.Y. 1975) (denying plaintiff's request for preliminary injunction where, given defendant's federal right to copy public domain work, plaintiff could not show likelihood of success on New York common law unfair competition claim).[7]

*Dastar* further demonstrates why state law cannot be used in this way. While the question there concerned the scope of the Lanham Act, rather than preemption of state law,

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[7] In addition to alleging that Getty Images sold the Highsmith Photos as its own, Plaintiffs allege that "Getty has authorized LCS to identify allegedly infringing uses of the Highsmith Photos for which Getty is selling copyright licenses," and that "LCS has contacted such allegedly infringing users . . . demanding payment of a settlement to Getty." FAC ¶¶ 115-116. These allegations are not well-pleaded, and Plaintiffs do not (and cannot) identify even a single instance of such alleged conduct. The FAC provides nothing more than "unadorned, the-defendant-unlawfully-harmed-me accusation[s]," which need not be credited on a motion to dismiss. *Iqbal*, 556 U.S. at 678. Notably, the FAC attaches as an exhibit in support of this allegation a letter regarding only an *Alamy* image – not one represented by Getty Images. FAC, Ex. M.

*Dastar* made clear that "reverse passing off claims [a]re the proper domain of copyright law" and therefore cannot be smuggled into other causes of action, no matter their source. *Stadt*, 719 F. Supp. 2d at 322 n.68. As previously discussed, in *Dastar*, the Court held that the uncredited copying of a work no longer protected by copyright could not be the subject of a claim under Section 43(a) of the Lanham Act. As in *Sears*, the Court explained that under copyright law, "[t]he right to copy . . . once a copyright has expired . . . passes to the public," which may then use the work "at will and without attribution" – and, as in both *Sears* and *Dastar*, for a profit. *Dastar*, 539 U.S. at 33-34 (internal quotation marks omitted). The Supreme Court therefore held that allowing liability under the Lanham Act would impermissibly "create a species of mutant copyright law that limits the public's federal right to copy and use expired copyrights." *Id.* at 34 (quotation marks omitted). Allowing Plaintiffs here to recover under state law when they could not do so under the Copyright Act would have precisely the same effect. Thus, both state law claims are preempted because they would pose an obstacle to the accomplishment of federal copyright policy, and both should be dismissed with prejudice.

### B. Even if Not Preempted, Both State Law Claims Fail Because They Incurably Lack Essential Elements Required Under State Law.

Even apart from their preemption by federal law, Plaintiffs' state law claims should be dismissed because Plaintiffs do not and cannot allege the requisite elements of a claim under either N.Y. General Business Law Section 349 or New York's common law of unfair competition.

#### 1. Plaintiffs Cannot Allege the Public Harm Required for a Claim Under N.Y. General Business Law Section 349.

Plaintiffs' claim under N.Y. General Business Law Section 349 fails because Plaintiffs have not alleged a substantial injury to the public interest, which is required to survive a motion to dismiss. As the Second Circuit has explained, "the gravamen of" a claim under Section 349 "must be consumer injury or harm to the public interest.'" *Securitron Magnalock Corp. v. Schnabolk*, 65 F.3d 256, 264 (2d Cir. 1995) (quoting *Azby Brokerage, Inc. v. Allstate Ins. Co.*, 681 F. Supp. 1084, 1089 n.6 (S.D.N.Y. 1988)). Indeed, the statute is "modelled after the Federal Trade Commission Act," and "federal courts have interpreted the statute's scope as limited to the types of offenses to the public interest that would trigger Federal Trade Commission intervention under 15 U.S.C. § 45, such as potential danger to the public health or safety." *DO Denim, LLC v. Fried Denim, Inc.*, 634 F. Supp. 2d 403, 409 (S.D.N.Y. 2009) (quoting *Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.*, No. 96 Civ. 5150, 1997 WL 137443, at *2 (S.D.N.Y. Mar. 24, 1997)). Thus, the plaintiff must allege "a direct harm to consumers that is greater than the general consumer confusion commonly found in trademark actions." *Eliya, Inc. v Kohl's Dep't Store*, No. 06 Civ. 195, 2006 WL 2645196, at *7 (S.D.N.Y. Sept. 13, 2006) (internal quotation marks omitted). Critically, "[w]here the only alleged harm is that which is generally associated with violations of intellectual property law, courts in this district have found that plaintiffs cannot state a claim under § 349." *Id.*, at *7 Simply put, mere allegations of consumer confusion without allegations of "a specific and substantial injury to the public interest," such as harm to public health or safety, are insufficient to state a claim under Section 349. *DO Denim*, 634 F. Supp. 2d at 409 (quotation marks omitted).

Here, Plaintiffs have failed to allege any direct harm to the public interest. *See* FAC ¶¶ 256-260 (alleging that Getty Images' acts have "cause[d] economic damages and irreparable injury to Ms. Highsmith and the Foundation," without alleging any direct harm to the public). At most, Plaintiffs allege a risk of consumer confusion: that Getty Images held "itself out falsely as the agent of Ms. Highsmith" and that, as a result, a consumer might believe she *must* buy a license from Getty Images to use a Highsmith Photo when, in fact, she could obtain a copy of the photo for free from the Library of Congress (albeit without the functionality and other benefits provided by Getty Images). *Id.* ¶ 258. However, allegations of consumer confusion do not rise to "a specific and substantial injury to the public interest" and therefore are insufficient to state a claim under Section 349. *DO Denim*, 634 F. Supp. 2d at 409 (quotation marks omitted) (dismissing Section 349 claim where only injury alleged was consumer confusion between designs on different brands of denim); *see also Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.*, No. 96 Civ. 5150, 1997 WL 137443, at *3 (S.D.N.Y. Mar. 24, 1997) (dismissing claim because, despite claims of "consumer confusion . . . the complaint is devoid of allegations supporting an inference that the public's health or safety is at stake as a result of the alleged infringement"); *Eliya, Inc.*, 2006 WL 2645196, at *7 (similar).

Allegations that consumers may be confused into paying more than they needed to also fail to meet Section 349's requirement of a direct harm to the public. *LBF Travel, Inc. v. Fareportal, Inc.*, No. 13 Civ. 9143, 2014 WL 5671853, at *12 (S.D.N.Y. Nov. 5, 2014) (dismissing Section 349 claim because allegations of consumer harm were insufficient even if plaintiff had alleged that consumers paid more for an allegedly inferior product); *Reed Constr. Data Inc. v. McGraw-Hill Cos.*, 745 F. Supp. 2d 343, 355 (S.D.N.Y. 2010) (dismissing Section 349 claim where the "only allegation regarding public harm is that consumers in the New York construction data market may have overpaid to subscribe to the Dodge Network when Reed Connect is a superior product"); *Gucci Am., Inc. v. Duty Free Apparel, Ltd.*, 277 F. Supp. 2d 269, 274–75 (S.D.N.Y. 2003) ("the business does not have a cognizable cause of action under § 349" where alleged public harm consisted of consumers being forced to "pay much higher prices to purchase the same items" from a competitor). Thus, Plaintiffs' allegation that Getty

Images has "charg[ed] licensing fees for Highsmith Photos when no license is needed," FAC ¶ 258, is insufficient as a matter of law to state a claim under Section 349.[8]

### 2. Plaintiffs Cannot Allege the Misappropriation of a Commercial Advantage as Required for a Common Law Unfair Competition Claim.

In Count XI, Plaintiffs allege that Getty Images engaged in unfair competition in violation of New York common law. As the New York Court of Appeals has explained, however, unfair competition "does not have boundless application as a remedy for unfair trade practices," and is "not to be equated with the far more amorphous term 'commercial unfairness.'" *Ruder & Finn Inc. v. Seabord Sur. Co.*, 52 N.Y.2d 663, 671, 422 N.E.2d 518, 522 (1981). Instead, "misappropriation of another's commercial advantage [i]s a cornerstone of the tort." *Id.* In particular, the plaintiff must allege "bad faith misappropriation of a commercial advantage which belonged *exclusively* to [her]." *LoPresti v. Mass. Mutual Life Ins. Co.*, 820 N.Y.S. 2d 275, 277 (2d Dep't 2006) (emphasis added). Without such an allegation, a claim is properly dismissed. *Id.*; *see also, e.g.*, *Ahead Realty LLC v. India House, Inc.*, 938 N.Y.S.2d 17, 19 (1st Dep't 2012); *Cold Spring Harbor Constr., Inc. v. Cold Spring Builders, Inc.*, 2014 NY Slip Op. 51688(U) (cited in FAC ¶ 276).

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[8] Significantly, neither Highsmith nor TIA has alleged (nor could they) that they are either consumers or competitors of Getty Images with respect to the licensing of the Highsmith Photos. As the Second Circuit has noted, New York courts have not "extend[ed] protection under GBL § 349 to an entity that was neither harmed as a competitor nor a consumer." *City of N.Y. v. Smokes-Spirits.com, Inc.*, 541 F.3d 425, 456 (2d Cir. 2008) (certifying question of City's standing to pursue § 349 claim to New York Court of Appeals), *certified question answered*, 12 N.Y.3d 616 (2009) (holding that City lacked standing to address harm to consumers on "derivative" basis), *rev'd and remanded on other grounds sub nom. Hemi Grp., LLC, v. City of N.Y.*, 559 U.S. 1 (2010). As a result, even if Plaintiffs' allegation regarding the charging of fees were sufficient to state a claim under Section 349 (and, as discussed above, it is not), Plaintiffs nevertheless would lack standing to bring it.

Here, Plaintiffs cannot plausibly allege that Getty Images misappropriated a commercial advantage to which they were exclusively entitled because Highsmith long ago ceded any such commercial advantage – her rights in the Highsmith Photos – to the public. Having done so, Highsmith (and TIA, which never held any rights to begin with) cannot complain when members of the public, including businesses, make use of the photos for commercial purposes, as permitted by the Copyright Act. *See supra* at 10, 19-21. Thus, this claim also should be dismissed with prejudice.[9]

## CONCLUSION

For the foregoing reasons, Counts I, IV, VIII, and XI of the FAC – all Counts against Getty Images – should be dismissed with prejudice.

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[9] As noted, Plaintiffs complain extensively of a single letter that Defendant LCS sent to Plaintiff TIA on behalf of Defendant Alamy – and *not* on behalf of Getty Images – allegedly asserting copyright interests in a particular Highsmith Photo. *See supra* at 20 n.7. Although the letter and the alleged communications surrounding it had nothing to do with Getty Images and thus are irrelevant here, Plaintiffs allege that LCS is an "alter ego[]" of Getty Images, such that the allegations against LCS "should be interpreted to include Getty . . . as appropriate." FAC ¶ 112; *see id.* ¶¶ 43, 143-148. However, these alter ego allegations are wholly conclusory and should be disregarded. *Sysco Food Serv. of Metro N.Y., LLC v. Jekyll & Hyde, Inc.*, No. 08 Civ. 2958, 2009 WL 4042758, at *3 (S.D.N.Y. Nov. 17, 2009) ("purely conclusory allegations cannot suffice to state a claim based on veil-piercing or alter ego liability, even under the liberal notice pleading standard" (quotation marks omitted)); *see also, e.g.*, *Usov v. Lazar*, No. 13 Civ. 818, 2014 WL 4354691, at *14 (S.D.N.Y. Sept. 2, 2014); *In re Currency Conversion Fee Antitrust Litig.*, 265 F. Supp. 2d 385, 426 (S.D.N.Y. 2003). Two elements are required to pierce the corporate veil: (1) the parent must exercise "complete domination" over the subsidiary "with respect to the transaction at issue," and (2) "such domination was used to commit a fraud or wrong that injured the party seeking to pierce the veil." *Am. Fuel Corp. v. Utah Energy Dev. Co.*, 122 F.3d 130, 134 (2d Cir. 1997). Multiple factors are relevant to piercing the corporate veil. *Id.* (listing ten factors); *Sysco Food Serv.*, 2009 WL 4042758, at *3. Adequately pleading an alter ego theory requires far more than merely asserting that the defendants share some officers and resources, which is all that Plaintiffs have done here. FAC ¶¶ 144-148; *e.g.*, *Sysco Food Serv.*, 2009 WL 4042758, at *3 ("a plaintiff may not rely on conclusory statements, but must allege specific facts showing that one corporation exercised dominion over another" (internal quotation marks omitted)). Plaintiffs' allegation of an "alter ego" relationship, therefore, should not be credited for purposes of this motion.

Dated: September 6, 2016

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 6, 2016, a copy of the foregoing Memorandum in Support of Defendant Getty Images (US), Inc.'s Motion to Dismiss Counts I, IV, VIII, and XI of Plaintiffs' First Amended Complaint Pursuant to Rule 12(b)(6) was filed electronically through the Court's CM/ECF System. Notice of this filing will be sent by-email to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's CM/ECF System.

/s/ Kenneth L. Doroshow